

APREN emphasizes the increase in European target for renewable incorporation

The European Commission launched the legislative package “Fit for 55”. They are a total of 14 pieces of legislation to allow the expansion of the GHG reduction target from 40% to 55%, made official in December 2020. Several months of discussion among member states now follow.

On July 14th, the European Commission launched the “Fit for 55” legislative package, designed to achieve the new European climate ambition of achieving a 55 % GHG reduction in 2030, compared to 1990.

“The 'Fit for 55%' legislative package will be our guide on the way to 2030. Arising from the need to increase the greenhouse gas target, it surprises for setting the new renewable incorporation target at 40 % (compared to the previous 32 %) and for making it mandatory at European level, a clear sign of the urgency to move forward with new renewable projects. In this sense, we also highlight the definition of new rules for the licensing of these projects, as the current delay is not compatible with the urgency defined at European level, and the imposition of new rules for the carbon market, which has been responsible for the record of electricity prices in the wholesale market due to speculation around licenses. Although there is always room for improvement, Europe is now on a better path towards carbon neutrality”, said Pedro Amaral Jorge, President of the Board of APREN.

The “Fit For 55” package includes the review of several pieces of legislation that were designed to meet the previous target of 40 % reduction in GHG, namely: “EU Emissions Trading System”, “Effort Sharing Regulation”, “Energy Taxation Directive”, “Renewable Energy Directive II” (REDII), “Energy Efficiency Directive”, “AFID”, “Energy Taxation”. It also includes new themes, of which APREN highlights the “Carbon Border Adjustment Mechanism” (CBAM).

As for the revision of the RED II (“Renewable Energy Directive”), the new target for renewable incorporation in final energy of 40 % stands out, compared to the previous one of 32 %. It should be noted that this target is mandatory at the European level. There will also be a mandatory annual increase of 1.1 % in the incorporation of renewable energy sources in Heating & Cooling at national level, and a new transport target will be introduced that provides for a 13 % reduction in Greenhouse Gas intensity in the transport sector by 2030, as well as a new benchmark of at least 49 % renewable incorporation in buildings.

Regarding hydrogen, the new proposal for the directive extends the European certification system for renewable fuels, so that it covers it. It is also defined a goal of 50 % renewable incorporation in the consumption of hydrogen for industry and 2.6 % of RFNBOs (renewable fuels of non-biological origin) in transport.

With regard to licensing processes, and in order to overcome the complexity and length of administrative processes, **the European Commission will define new rules for licensing in line with results reported by MS** in their progress reports for 2023, which should include measures of optimization of administrative processes.

On the other hand, and regarding the Energy Efficiency Directive, there is a new energy efficiency target of **36-39 %** for final and primary energy consumption, compared to the previous 32.5 %. This previously indicative target becomes mandatory at EU level.

On the review of the “EU-Emissions Trading System”, it is highlighted that the sectors covered must reduce their Greenhouse Gas emissions by 61 % compared to 2005 figures. In this sense, the maximum annual emissions limit will be reduced in line with the new ambition.

A separate ETS will be created, dedicated to the road transport and buildings sectors, to be applied from 2026. The system will be dedicated to upstream fuel suppliers, placing the responsibility on fuel producers to comply with the system, rather than translating into direct involvement on the part of the end consumer.

With regard to the new CBAM ("Carbon Border Adjustment Mechanism"), the proposal involves the application of the same carbon price for imported and domestic products. Its implementation will be phased in, and will initially focus on just a few imported products - steel, aluminum, cement, fertilizers and electricity - and will translate into a simplified mechanism at the outset, to enable a smooth transition. In the sectors covered, there will be a gradual phase-out of free licenses, in line with a also gradual phase-in of CBAM.

In this context, the AFID was also reviewed, which sets mandatory targets for the installation of fueling and charging infrastructure, to support the penetration of cleaner vehicles and the continued growth of this market, which presents extraordinary opportunities for the EU automotive industry. For electric charging, a maximum distance between chargers of 60 km and for hydrogen filling stations is established every 150 km for the main highways.

The “Fit for 55” package will now be discussed in the European Parliament and the Council of the European Union for the negotiation phase, a process that should take several months.

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About APREN

The [Portuguese Renewable Energy Association \(APREN\)](#) is a non-profit association, established in October 1988, with the mission of coordinating and representing the common interests of its Members in the promotion of Renewable Energies in the electricity sector.

APREN develops work together with official bodies and other similar entities, at national and international level, assuming itself as an instrument for participation in energy and environmental policies through the use and valorization of natural resources for electricity production, namely in the fields of water, wind, solar, geothermal, biomass, biogas and urban solid waste.